



Guide to Understanding your 1099-R Form from the Arizona State Retirement System

Your Form 1099-R Statement for 2004 was scheduled to be mailed during the last week of January. If you have not received it by February 15, please call us at (602) 240-2000 in metro Phoenix, (520) 239-3100 in metro Tucson, or (800) 621-3778 outside of metro Phoenix and Tucson. Please do not call before that date, as we must allow sufficient time for the forms to be delivered before we will order reprints of your 1099-R. You will receive a separate 1099 form for each benefit account you have with the ASRS.

The following is a guide to understanding the figures contained in your 1099-R statement. Your tax advisor can provide additional information on your individual tax situation.

Box 1 - Gross Distribution: This is the gross amount of money you received during 2004. It includes the total of your annuity amount, any cost of living adjustments (COLAs or PBIs), and your exclusion amount, which is any amount excludable from taxes. It does not include the premium benefit, which is that amount of your monthly benefit allowed for paying health insurance premiums.

Box 2 - Taxable Amount: This is the amount of your benefit that is taxable. It includes all of the amounts in Box 1 except for the year-to-date exclusion. The exclusion amount represents after-tax contributions you made to the ASRS before you retired.

Box 3: There should not be any amount in this box.

Box 4 - Federal Income Tax Withheld: This is the total of all the monthly amounts withheld for Federal Income Tax during 2004.

Box 5 - Employee Contributions: If you retired this year, this is the total of the exclusion dollars. If you add the amount in Box 5 to the amount in Box 2, the total should be the same as the amount in Box 1, Gross Distribution. The ASRS does not use this box for insurance premiums.

Box 6: There should not be any amount in this box.

Box 7 - Distribution Code: This box indicates to the Internal Revenue Service what type of taxable distribution this is and whether you are over or under the age of 59 1/2.

Box 8: There should not be any amount in this box.

Box 9a - Percentage of Total Distribution: If you received a total distribution where more than one person (such as a QDRO settlement or a beneficiary settlement) this will be the percentage of your distribution.

Box 9b - Total Employee Contributions: If your pension payments began in 2004, this is the total employee contribution remaining to be recovered tax-free. This reporting is done only in the year that periodic payments begin.

Box 10 - Arizona Tax Withheld: If you reside in Arizona and requested that the ASRS withhold state income tax, the amount of tax withheld will be shown in this box. If you do not reside in Arizona, the ASRS is unable to withhold state income tax.

Box 11 - State Payer's State Number: This box indicates the Arizona tax identification number of the ASRS.

Box 12: There should not be any amount in this box.

Box 13: There should not be any amount in this box.

Box 14: There should not be any amount in this box.

Box 15: There should not be any amount in this box.

If you want to know the total amount withheld for health insurance premiums, please refer to your December 1, 2004 direct deposit summary or check stub. On the right side of your statement, under "year-to-date," you will find the total amount of your premiums on the line marked "HI PREM." On the left side of the statement, under "year-to-date," you will find the total amount of your premium benefit on the line marked "Prem Ben." The ASRS paid this total amount toward your health insurance during 2004. Subtract the premium benefit amount from the total premium amount and the total is what was withheld for health insurance premiums during 2004.

If you received a retroactive check for health insurance premium benefit in late December, subtract the amount also from the HI Prem to arrive at the amount withheld for health insurance premium.

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